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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Salt Lake City, Utah 84180-1203
801-538-5340

February 5, 1992

Mr. Frederick D. Fox
Director, Environmental Affairs
Kennecott Utah Copper Corporation
P.O. Box 525
Bingham Canyon, Utah 84006-0525

Dear Mr. Fox:

Re: Reclamation Surety - Irrevocable Letter of Credit (ILOC), Pine Canyon
Reclamation Project, Kennecott Utah Copper (KUC), M/045/004, Tooele
County, Utah

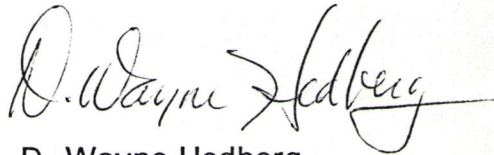
The Division has evaluated your January 8, 1991, letter and ILOC in the amount of \$72,400, transmitted as Reclamation Surety for the Pine Canyon Project, M/045/004. We appreciate your prompt response to our subsequent filing request, however, the ILOC does not follow the Division's accepted format for this form of surety.

I am enclosing a copy of our latest ILOC surety form for your reference. Please forward this to your chosen financial institution for reprocessing. We will hold the current ILOC until a replacement can be prepared with the appropriate language and format. We cannot accept this surety in its present form. I have also enclosed a copy of another ILOC which is on file for Kennecott's 4th Line Project. This surety was prepared according to the Division's ILOC format and was accepted by the Board of Oil, Gas and Mining in April of 1990. The Reclamation Contract, Form MR-RC, appears to be in order, except for two items on page 2 of 9. Please make the required corrections on the replacement page enclosed.

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Upon receipt of the revised surety, the Division will schedule a presentation of the amount and form of surety to the Board of Oil, Gas and Mining. Please contact me or Holland Shepherd should you have further questions in this regard.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures
cc: Lowell Braxton, DOGM
Holland Shepherd, DOGM
M045004.1